

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6926

BILL NUMBER: SB 337

DATE PREPARED: Jan 2, 2002

BILL AMENDED:

SUBJECT: Property Tax Appeals.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that if the county auditor determines in an appeal of an assessment of real property or personal property filed after June 30, 2002, that the assessed value of the items appealed constitutes at least 1% of a taxing unit's total assessed value for the preceding year: (1) the county auditor must provide certain notices to the affected taxing unit; and (2) the affected taxing unit may attend administrative hearings, offer testimony, and receive notice of the assessment determination that results from a hearing. The bill allows an affected taxing unit to request a county executive to appeal a final determination by the Board of Tax Review.

Effective Date: July 1, 2002.

Explanation of State Expenditures: *Notifications by the Department of Local Government Finance (State Tax Board):* Under current law, the Board of Tax Review must mail a notice of a Board of Tax Review hearing to the taxpayer, township assessor, county assessor, and county auditor. The notice must include the date of the hearing. This bill would require the notice to also include the disputed item's previous year's assessed value, the action taken by the county property tax board of appeals, and a statement that a taxing unit in which the appealed AV constitutes at least 1% of the units' gross certified AV from the preceding year (affected taxing unit) may attend the hearing. In addition, the Board of Tax Review would also be required to include a copy of the petition requesting review in the mailings. The Board of Tax Review would have to send notice of its final determination to the affected taxing units.

Preparation and mailing of these notices would increase Board of Tax Review costs by a currently indeterminable amount.

Certified Court Record: Under current law, if an appeal of a Board of Tax Review final determination is made to the Tax Court, the Secretary of the Board of Tax Review must transmit a certified transcript of the appeal proceedings to the Court. This bill would instead require the Secretary to submit a certified record

of the proceedings to the Tax Court. The record must include copies of all notices, petitions, motions, photos, and other written documents submitted to the Board of Tax Review. The record must also include the transcript of the evidence and proceedings at the administrative hearing and copies of all exhibits and physical objects provided during the administrative hearing.

The Board of Tax Review already includes this information in the transcript of proceedings prepared under current law so there would be no additional expenditures necessary under this provision.

Explanation of State Revenues:

Explanation of Local Expenditures: *Notifications by County Assessors and County Auditors:* Currently, the county assessor notifies the county auditor of all assessments under appeal. This proposal would require the county assessor to also notify the Board of Tax Review of assessments under appeal. The assessor would be required to make both notifications by mail and would be required to include the appellant's name, address, current year AV, and prior year AV.

Under current law, the county auditor must notify affected taxing units of the appeal. This notification is made after the township assessor's response to the petition following a preliminary conference between the township assessor and the taxpayer. This bill would instead require the county auditor to send to the affected units a copy of the notification that is sent to the county auditor and Board of Tax Review.

Preparation and mailing of these notices could increase county assessor and county auditor costs. County auditor and county assessor offices are funded through the county General Fund. Any additional costs would be paid for with existing resources.

Notifications by County Property Tax Assessment Boards of Appeals and County Auditors: Under current law, if there are still items left unresolved after the township assessor's preliminary conference then the county property tax assessment board of appeals must hold a hearing within 90 days of the petition's filing. The county property tax assessment board of appeals is currently required to give notice of the hearing date by mail to the taxpayer and to the township assessor. This bill would also require notices to be sent to the county assessor, county auditor and Board of Tax Review. All notices would have to contain the current year AV and prior year AV of the disputed items.

The county auditor would be required to forward a copy of the notice to any affected taxing unit. The notice from the county property tax assessment board of appeals would also have to state that the affected taxing unit may attend the hearing.

After the hearing, the county property tax assessment board of appeals is currently required to send notice of its determination to the taxpayer, the county assessor, and the township assessor. This bill also requires that the notice of determination be sent to the county auditor, Board of Tax Review, and any affected taxing unit.

Preparation and mailing of these notices could increase county property tax assessment board of appeals costs and county auditors costs.

Appeals to the Indiana Tax Court by Affected Units: The proposal allows an affected taxing unit to request that the county executive initiate an appeal. The bill requires an affected taxing unit that requests an appeal to the Tax Court to pay for the appeal. This provision could increase the number of appeals to the Tax Court

that are initiated by the counties. Appeals initiated by local units would increase local costs.

Explanation of Local Revenues:

State Agencies Affected: Department of Local Government Finance and the Board of Tax Review.

Local Agencies Affected: County assessors; County auditors; County property tax assessment boards of appeals.

Information Sources: Bill Waltz, State Board of Tax Commissioners, (232-3761).